

## Message Text

UNCLASSIFIED

PAGE 01 LAGOS 07284 010751Z

16

ACTION EB-07

INFO OCT-01 AF-06 ISO-00 AGR-10 CEA-01 CIAE-00 COME-00

DODE-00 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04 TAR-01

TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 FEA-01 /101 W

----- 033880

R 311537Z JUL 75

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 450

UNCLAS LAGOS 07284

E.O. 11652: N/A

TAGS: ETRD, NI

SUBJECT: EXPORT RESTRICTIONS IMPOSED BY FMG

REF: STATE 146681

1. THERE ARE FEW RESTRICTIONS ON NIGERIAN EXPORTS. LICENSES ARE REQUIRED FOR ALL REPEAT ALL EXPORTS BUT MIN TRADE EXPLAINS LICENSING PROCEDURE NOT INTENDED TO LIMIT EXPORTS (EXCEPT IN SPECIFIC CASE OF ANTIQUITIES) BUT FOR MEASUREMENT, TABULATION AND FOREIGN EXCHANGE ACCOUNTABILITY PURPOSES.

2. IN ORDER TO COMBAT INFLATION AND CONSERVE SCARCE RESOURCES THERE HAS BEEN SINCE 1972 A TOTAL BAN ON THE EXPORT OF FOOD (DEFINED AS ITEMS READY FOR CONSUMPTION WITHOUT FURTHER PROCESSING). NOT INCLUDED ARE THE TRADITIONAL AGRICULTURAL EXPORT CROPS WHICH INCLUDE COCOA, PALM OIL AND KERNELS, COFFEE AND BENISEED, AND WHICH ARE BEING EXPORTED. THE EXPORT OF ANOTHER TRADITIONAL EXPORT CROP, PEANUTS, HAS BEEN SUBJECT TO AN ADMINISTRATIVE BAN SINCE JANUARY 1974 DUE TO A SHORTFALL IN DOMESTIC PRODUCTION CAUSED BY THE SAHELIAN DROUGHT. DESPITE IMPROVEMENT OVER THE PAST TWO YEARS' HARVESTS, THIS YEAR'S CROP IS STILL INSUFFICIENT TO MEET LOCAL DEMAND AND THUS THE EXPORT BAN WILL CONTINUE. MIN TRADE STATES THAT WHEN PRODUC-

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LAGOS 07284 010751Z

TION IS SUFFICIENT TO SATISFY LOCAL DEMAND EXPORTS WILL AGAIN

BE ALLOWED. FMG ALSO EXERCISES DE FACTOR CONTROL OF VARIOUS PRIMARY EXPORTS BY MEANS OF GOVERNMENT SPONSORED MARKETING BOARDS, WHICH ARE THE SOLE OVERSEAS OUTLET FOR THE ABOVE COMMODITIES AND FOR SOYA BEANS, SESAME, COTTON SEEDS AND COTTON LINT. A RECENT EXAMPLE OF THIS CONTROL IS COTTON, THE PRODUCTION OF WHICH FELL OFF DRASTICALLY FOLLOWING THE SAHELIAN DROUGHT. ALTHOUGH EXPORT OF COTTON HAS NOT BEEN BANNED, COTTON HAS CEASED TO BE AN EXPORT CROP BECAUSE IT SIMPLY IS NOT OFFERED FOR SALE.

3. WITH THE POSSIBLE EXCEPTION OF PEANUTS, OF WHICH NIGERIA WAS ONCE ONE OF THE WORLD'S LEADING SOURCES, THE EFFECT OF THESE CONTROLS ON INTERNATIONAL TRADE IS NOT GREAT. MOREOVER, GIVEN THAT REJUVENATION OF AGRICULTURE IS A HIGH FMG PRIORITY, EXPANDED PEANUT PRODUCTION MAY ALLOW RELAXATION OF THE BAN IN THE NOT TOO DISTANT FUTURE. THE ONLY OTHER EMBARGOED COMMODITY IS SCRAP STEEL, WHICH IS BEING CONSERVED FOR USE IN THE FUTURE DOMESTIC STEEL INDUSTRY. THE EMBARGO HAS BEEN IN EFFECT SINCE 1973 AND WILL CONTINUE INDEFINITELY.

4. THE FMG FORMERLY LEVIED EXPORT DUTIES ON VARIOUS PRIMARY EXPORT COMMODITIES AS A SOURCE OF REVENUE.COMMODITIES TAXED INCLUDED PEANUT CAKE, MEAL AND OIL: PALM KERNEL CAKE AND MEAL AND OIL: PEANUTS, RUBBER: HIDES AND SKINS: AND TIMBER: IN ADDITION TO COMMODITIES LISTED IN PARA. 2. THE RATE OF DUTY WAS APPROXIMATELY 15 PERCENT UNTIL 1973, WHEN IT WAS LOWERED TO 10 PERCENT. THESE TAXES WERE ABOLISHED IN 1974 AND NIGERIA CURRENTLY LEVIES NO EXPORT DUTIES.

5. EMBASSY HAS ASSUMED THAT NIGERIA'S HANDLING OF PETROLEUM EXPORTS IS WELL ENOUGH DOCUMENTED AND THAT IT WAS NOT INTENDED TO BE COVERED IN THIS REPORT.

6. FYI- 1975-6 RECURRENT AND CAPITAL ESTIMATES INCLUDES AN AMOUNT OF NAIRA 1.3 MILLION AS STATUTORY APPROPRIATIONS TO STATES AS THEIR SHARES OF EXPORT DUTIES. MIN TRADE EXPLAINS THAT THIS AMOUNT IS BEING PAID BY FMG TO STATES TO REIMBURSE THEM FOR REVENUES LOST WHEN EXPORT DUTIES WERE ABOLISHED AND THAT A PROPER HEADING WOULD BE "IN LIEU OF" EXPORT DUTIES. END FYI.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LAGOS 07284 010751Z

CROSBY

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, EXPORT CONTROLS, LICENSES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LAGOS07284  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750265-0999  
**From:** LAGOS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t1975074/aaaaadsv.tel  
**Line Count:** 108  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 146681  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** hartledg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21 APR 2003 by ThomasVJ>; APPROVED <05 FEB 2004 by hartledg>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXPORT RESTRICTIONS IMPOSED BY FMG  
**TAGS:** ETRD, NI, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006